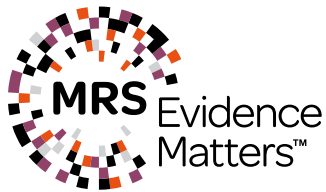


The Business of Evidence

A report prepared
for the Market
Research Society

October 2012



Defining the ‘business of evidence’

The world of “big data” is the new reality for many organisations, and it is the professional research and evidence market that makes sense of what this data means, releasing the value of the information for the benefit of business, government, citizens and consumers.

The market is 50% larger and more extensive than previously thought, employs up to 60,000 people, delivers £3bn a year to the UK economy and is a major export wealth-earner.

The professionals driving and expanding this new world of big data are working in the ‘business of evidence’.

Over the past decade, an unprecedented level and quality of global information has become available in real-time and in high volumes.

Facilitated by a combination of customer loyalty schemes, online trading and exponential levels of internet and electronic activity, vast amounts of personal and corporate data are now available to be analysed and exploited by a wide variety of sectors for commercial, academic, personal and government use.

No longer can the industry simply be defined as ‘market research’ as today’s opinion gatherers, researchers, data analysts and educationalists, comprise a tapestry of organisations, collectively operating in the ‘business of evidence’.

These are legitimate, sophisticated and contemporary research activities but have up till now been mainly excluded from definition as market research activities.

Reflecting upon this change, the Market Research Society (MRS) recognised the need to broaden its assessment of the traditional provider sector to define, measure and evaluate the wider industry, embracing all those we now describe as operating in the ‘business of evidence’.

In response, MRS commissioned PricewaterhouseCoopers LLP (PwC) to examine the scale and impact of the UK’s social and opinion research market.

The ‘business of evidence’ market defined

This is a dynamic market; initiating research for specific purposes while responding to industry and client demands for intelligence and analysis. For that reason, the lack of historic sectoral information is understandable given the difficulties in categorising the employment, Gross Value Added (GVA)¹ and trends in the sub-sectors that comprise the market.

In its review, PwC identified eight sub-sectors and banded these by employment and GVA as between the lower and upper bands, validated by stakeholders in the respective sub-sectors.

The review found market employment in the UK as between 53,520 and 58,880 full-time equivalents (FTEs), with the market’s annual GVA as between £2.6 billion and £3.0 billion. The table below summarises these findings:

Area	Estimated employment (FTEs)	Estimated GVA
Traditional providers	39,600	£1,806 million
Other private sector organisations	8,800	£486 million
Higher education	1,100-2,100	£66 - £155 million
Data analytics	1,000-1,400	£75 - £107 million
Central Government	1,000-3,000	£64 - £249 million
Local Government	870-1,300	£48 - £72 million
Think tanks	150-680	£7 - £37 million
Charities	1,000-2,000	£55 - £110 million
Total	53,520 – 58,880	£2,607 - £3,022 million

¹ Gross Value Added (GVA) is the value of goods and services the market generates minus the cost of the materials, and other inputs used to produce them. In this market, GVA mainly comprises of employee earnings and the profits generated.

The 'business of evidence' market: summary findings

The UK professional research and evaluation sector now generates over £3bn a year of Gross Value Added (GVA), a significant contribution to UK plc, and employs close to 60,000 (FTE) highly-qualified people, contributing more than £1bn of export sales, annually.

The market is 50% larger than previously estimated and is a major employers and revenue-earner for London. Other key findings include:

- The UK 'business of evidence' market employs up to 60,000 people, generating annual gross value added (GVA) of up to £3bn.
- This compares with the MRS' previous estimates of around 40,000 direct employees in so-called 'traditional' market research activities.
- With around 60% of employees in London and the South East, the sector is worth up to £1.8bn annually to the greater London economy; it provides employment up to 35,000 full time equivalent staff (FTEs) in the capital and generates GVA per capita of £52,500 per annum, substantially above the London and UK average.
- In terms of revenues, the UK business of evidence market accounts for around 0.2% of UK GDP, making it comparable in size to the UK newspaper publishing industry and the UK core film industry, larger than the UK music industry and more than twice the size of the UK radio industry.
- The sector contributes to considerable UK regional wealth creation, generating up to an annual £1.2bn of GVA outside London and the South East;

ranging from a potential £196m in the North East to £27m per annum in Northern Ireland.

- Around 33% of activity is undertaken for client and end users outside the UK, making the sector a substantial exporter, with the majority of this £1bn annual export activity undertaken by organisations in London.
- The sector is also a significant employer of talent from UK universities. Research and evidence supports the investment decisions of government, business and education and is increasingly becoming the pivotal sector upon which other industries, such as advertising, retail and financial services rely for strategy, insight and reasoned analysis.



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The ‘business of evidence’ – what next?

Recommendations

This report has, for the first time, provided a robust definition as to the shape and size of the research and evidence market.

It provides a firm foundation for illustrating the role, impact and direction of the UK research and evidence market, now and in the future. In order to capitalise on the future potential of the market to contribute to the UK economy, MRS will continue to:

- Work with government and industry stakeholders to closely define and quantify the ‘business of evidence’ market.
- Undertake regular monitoring and benchmarking of the market to facilitate further growth and development.
- Use robust membership criteria to encourage best practice, member training, regulation and transparency.

To further its role in developing the industry, MRS has announced the appointment of four Patrons to coincide with the launch of the business of evidence report. The new patrons are Sir Martin Sorrell, CEO of WPP, Sir Robert Worcester, founder of MORI, Clive Humby, the founder of Dunhumby, and the social commentator Peter York.

Welcoming MRS plans to grow the industry, Jane Frost CBE, CEO of MRS “The review clearly shows the importance of this industry to the UK economy. This is a business that is both creative and one which generates intellectual capital for the country. It is a source of competitive advantage and one which has changed far beyond its traditional definitions. This review makes a clear case for it to be recognised and supported as such.”

Who we are

The Market Research Society (MRS) is the world’s largest research association, representing organisations and professionals that provide or use market, social and/or opinion research. It also represents individuals and organisations that are involved in providing business intelligence, market analysis and customer insight.

MRS supports and encourages best practice by setting and ensuring compliance to professional standards. It contributes significantly to enhancing skills and knowledge by offering various qualifications and membership grades, as well as training and professional development resources, and through the provision of a wide range of publications, information services and conferences. Further information on MRS is available at www.mrs.org.uk.

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